

THE TORONTO STOCK EXCHANGE

6/6/68

FILING STATEMENT NO. 1622.
FILED, JUNE 24th, 1968.

LAKEHEAD MINES LIMITED

Full corporate name of Company
Incorporated under the laws of Ontario as Head of the Lakes Iron Limited. Name changed by Supplementary Letters Patent, July, 1963.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953)

(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous Filing Statement No. 1454.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(a) Offering of rights to shareholders to purchase a maximum of 277,500 shares; (b) Underwriting agreement to ensure receipt of the full amount of \$97,125 realizable under such rights offering. Reference is made to Item 6 hereof. See Schedule "A" on page 3.
2. Head office address and any other office address.	20th Floor, 4 King Street West, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and a Director: JOHN KOSTUIK, 14 Brian-cliff Dr., Don Mills, Ontario, Mining Executive; Vice-President and a Director: A.D. HELLENS, 27 Hill Cres., Scarborough, Ont., Mining Engineer; Secretary-Treasurer and a Director: JOHN C. PUHLY, 19 Tudor Gate, Willowdale, Ont., Mining Company Executive; Director: JOHN G. STEEN, 17 Hill Cres., Scarborough, Ont., Stock Broker; Director: THE HONOURABLE H.A. WILLIS, 50 Prince Arthur Ave., Toronto, Ont., Queen's Counsel.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: \$5,000,000 divided into 5,000,000 shares with a par value of \$1 each, Issued: 2,775,000 shares, all as fully paid.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "A" on page 3.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Denison Mines Limited, 20th Floor - 4 King Street West, Toronto, a public mining company.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company will realize \$97,125 from the proposed rights offering. It is proposed to use such money to complete a field program undertaken in 1967 on the mining claims of the Company held in the Marathon area of Northwestern Ontario. It is expected that the first phase of this work will cost \$25,000 and if such preliminary work justifies subsequent work, the second phase will cost approximately \$65,000. Reference is made to the report of Roy Jure, which is dated June 3, 1968 and which accompanies this filing statement. Any funds received by the Company and which are not used for the exploration program will form a part of the general funds of the Company. The Company will not purchase any securities other than those eligible for investment by insurance companies, unless prior notice has been given to and accepted for filing by the Toronto Stock Exchange.

10. Brief statement of company's chief development work during past year.	A prospecting program was carried out on the copper-iron prospect in the Little Pick River area near Marathon in Northwestern Ontario. The option held by the Company on certain claims in Douglas and McArthur Townships, Porcupine Mining Division, Ontario, was allowed to lapse in October, 1967. The claims held as a gold-iron prospect in the Quetico Park area, Rainy River District of Ontario, have been maintained in good standing.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company, showing the consideration to be paid.	Not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	411,755 shares are in escrow in one pool at Guaranty Trust Company of Canada, Toronto, and require the prior consent of the Toronto Stock Exchange to any release therefrom. There are also 125,000 shares in escrow in another pool with Guaranty Trust Company of Canada aforesaid, subject to the same terms of escrow.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Those owning a greater than 5% interest in the 411,755 escrowed shares referred to in Item 13 are: Denison Mines Limited, 20th Floor - 4 King St. West, Toronto, Ontario. - 150,000 shares Woodroy Investments Limited, C/o J.P. Arnott, Q.C., 366 Bay Street, Toronto, Ont. - 134,825 shares William H. Despard, 48 Crescent Road, Toronto, Ontario. - 25,500 shares Denison Mines Limited is the owner of all of the 125,000 escrowed shares also referred to in Item 13 above.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	According to the Share Registrar and Transfer Agent of the Company: Denison Mines Limited, 20th Floor - 4 King St. West, Toronto, Ontario - 775,000 shares Woodroy Investments Limited, C/o J.P. Arnott, Q.C., 366 Bay Street, Toronto, Ontario. - 134,825 shares John Gordon & Co. Ltd., 185 Bay Street, Toronto, Ontario. - 96,500 shares Doherty Roadhouse & McCuaig Bros. 335 Bay Street, Toronto, Ontario. - 95,450 shares Thomson, Kernaghan & Co. Ltd., 365 Bay Street, Toronto, Ontario. - 80,349 shares Of the 775,000 shares registered in the name of Denison Mines Limited, a total of 275,000 shares are escrowed. See Item 14. The 134,825 shares registered in the name of Woodroy Investments Limited are held in escrow. See Item 14. Denison Mines Limited is the beneficial owner of the shares registered in its name and also beneficially owns a further 125,800 shares not registered in its name. Of the shares registered in the name of Woodroy Investments Limited, 15,825 shares are beneficially owned by that company. The remaining shares are owned beneficially by R.M. Hogarth as to 9,916 shares, A.D. Hellens - 29,750 shares, J.D. Steen - 19,833 shares, Murmac Lake Athabaska Mines Limited - 39,668 shares and Sun Bear Mines Limited - 19,833 shares.

SCHEDULE "A"

The Company intends to offer to its shareholders of record at a record date which will be fixed by the directors, the right to purchase at the price of 35¢ per share from treasury, one additional share in the capital of the Company for every ten shares held at the record date. Subscriptions for fractional shares will not be accepted. The new issue will not be registered under The Securities Act of 1933 of the United States of America and the shares will not be offered to shareholders whose recorded addresses are in the United States or any of its territories or possessions. The rights to purchase such shares will be transferable and the rights will be traded in on the Toronto and Canadian Stock Exchanges until shortly before they expire. There is understood to be no objection to a United States shareholder selling his rights. The offering of such shares will terminate four weeks after the record date.

It is expected that the record date will be established as a date in late June or early July following acceptance for filing of notice of the proposed offering by the Toronto and Canadian Stock Exchanges and exemption from registration for the shares to be offered to the shareholders under The Securities Acts of Ontario and Quebec.

Denison Mines Limited of Toronto, acting as principal on its own behalf and acting for investment purposes and not with a view to re-sale or distribution of such shares, has agreed with the Company that at the termination of the rights offering it will purchase at the said price of 35¢ per share such number of treasury shares of the Company (if any) the proceeds of which when added to the proceeds of the sale of shares upon exercise of rights by shareholders will provide the Company with the full sum of \$97,125 which is realizable by the Company if all shares offered are in fact sold.

In the event that Denison Mines Limited shall at a later date desire to offer any shares so purchased by it in primary distribution, such shares shall be offered in primary distribution in Ontario only and in accordance with the provisions of The Securities Act, 1966. If called upon to do so by Denison, the Company must at that time file a statement of material facts respecting such shares.

The Company is making application forthwith to the Ontario Securities Commission for an exemption from registration under The Securities Act, 1966, covering the shares which shall be purchased by shareholders under the rights offering. The Company is making a similar application to the Quebec Securities Commission. Denison Mines Limited has undertaken that in no event shall any shares which may be purchased by it pursuant to this commitment be offered to residents of the Province of Quebec or on the Canadian Stock Exchange.

FINANCIAL STATEMENTS

LAKEHEAD MINES LIMITED

BALANCE SHEET

AS AT APRIL 30, 1968

ASSETS

Current Assets

Cash \$34,247

Mining Properties - At Cost

Quetico Park Claims \$300,000
Marathon Claims 90,858

\$390,858

Deferred Expenditures

Exploration & Development

Quetico Park Claims \$218,373
Marathon Claims 154,397

\$372,770

Head Office & Administration \$119,876

\$917,751

LIABILITIES

Current Liabilities

Accounts Payable \$ 500

Shareholders' Equity

Capital Stock

Authorized - 5,000,000 Shares of \$1.00 each

Issued & Fully Paid

2,775,000 Shares \$2,775,000

Less: Discount on Shares 2,120,173

\$ 654,827

Contributed Surplus

302,174

Deficit Account

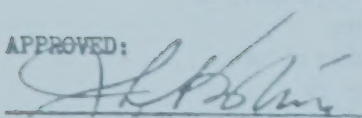
\$ 957,001

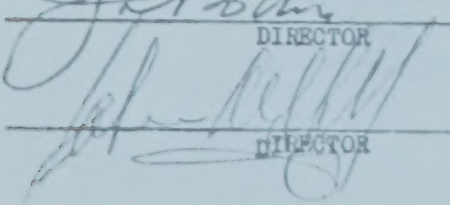
39,750

\$ 917,251

\$917,751

APPROVED:



DIRECTOR


DIRECTOR

LAKEHEAD MINES LIMITED

STATEMENT OF DEFERRED EXPENDITURE
FOR THE PERIOD ENDED APRIL 30, 1968

EXPLORATION & DEVELOPMENT

Quetico Park Claims

Balance, December 31, 1967	\$217,826
Licenses, Fees & Taxes	547
Balance April 30, 1968	<u>\$218,373</u>

Marathon Claims

Balance, December 31, 1967	\$154,375
General Expenses	22
Balance, April 30, 1968	<u>\$154,397</u>

HEAD OFFICE & ADMINISTRATION

Balance, December 31, 1967	\$117,814
Licenses, Fees & Taxes	230
Legal & Audit	100
Office Rent & Services	2,000
Transfer Agent's Fees	227
Interest Earned	(495)
Balance, April 30, 1968	<u>\$119,876</u>

LAKEHEAD MINES LIMITED

SOURCE AND APPLICATION OF FUNDS
FOR THE PERIOD ENDED APRIL 30, 1968

SOURCE OF FUNDS

Sale of Investments	\$4,000
Interest earned on Deposits	495
Total Source of Funds	<u>\$4,495</u>

APPLICATION OF FUNDS

Exploration & Development Expenditures	\$ 569
Head Office & Administrative Expenditures	2,557
Total Application of Funds	<u>\$3,126</u>

Increase in Working Capital	\$1,369
Working Capital December 31, 1967	<u>32,378</u>
Working Capital April 30, 1968	<u>\$33,747</u>

LAKEHEAD MINES LIMITED
STATEMENT OF DEFICIT ACCOUNT

AS AT APRIL 30, 1968.

Option to purchase 36 mining claims, Porcupine Mining Division, Province of Ontario, dropped (Note 2)	\$ 11,000
Exploration and Development expenditures on claims under option, dropped, per attached statement (Note 2)	27,750
Adjustment of Investment in Shares of another Company to subsequent selling price (Note 1)	<u>1,000</u>
Balance, April 30, 1968	\$ 39,750
	<u><u> </u></u>

LAKEHEAD MINES LIMITED
NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 1968

Note 1: The Company disposed of its investment of 4,500 preference shares and 500 common shares in Glen Rouge Parks Limited, a land development in the Eastern Section of Metropolitan Toronto, for the sum of \$4,000.00. The original cost of the investment was \$5,000.00.

Note 2: By agreement dated December 31, 1965 the Company paid \$11,000 for an option to purchase 36 unpatented mining claims in the Porcupine Mining Division of the Province of Ontario. The option expired October 1, 1967 and was not renewed. The cost of the option and all expenditures relating to the claims were written-off to the deficit account during the year.

ENGINEER'S REPORT

LAKEHEAD MINES LIMITED

TWENTIETH FLOOR
4 KING STREET WEST
TORONTO 1, CANADA

To the Directors,
Lakehead Mines Limited.

An exploration program in two phases is recommended for the Marathon Property of Lakehead Mines Limited. If carried through to completion the estimated total cost would be \$90,000.

Phase I will consist of geological, magnetometer and radiometric surveys, trenching in rock and sampling at an estimated cost of \$25,000. Phase II consisting of diamond drilling will follow if warranted on the basis of results obtained in Phase I. The estimated cost of Phase II is \$65,000. The estimated time required to complete both phases is two years.

The Marathon Property of Lakehead Mines Ltd., now comprises 199 claims, of which 87 are patented and 112 were staked in October, 1967.

These claims lie astride the northern margin of the Port Caldwell Alkaline Complex, a large multiple intrusive on the north shore of Lake Superior, centred some 4 miles north west of Marathon. The Alkaline complex includes gabbro, syenodiorte, norðmarkite, nepheline syenite and a wide variety of minor dyke rocks. The main members are ring like in shape with blocks of the intruded metavolcanics preserved within the intrusive mass. Successive earlier phases tend to be intruded within the ring formed by the earlier phases so that the younger members occur near the centre of the complex. Around the north and east perimeter there occurs a gabbro which in places carries layers containing magnetite and copper mineralization. These have been drilled on the Marathon property during previous years.

In the course of a prospecting program during 1967, a previously unreported occurrence of chalcopyrite mineralization was found. Initial grab sampling indicated that it may be of better grade than the deposits drilled earlier. This occurrence lies closer to the north margin of the gabbro and is considered to be of additional geological interest for this reason.

Also, in 1967, radioactive occurrences were found while prospecting. Uranium, thorium and rare earths were found to be associated with certain dyke rocks which cut the alkaline complex rocks. These dyke rocks are generally coarse grained with a distinctive pink weathering of the feldspar. Outcrop pattern is poor and erratic but there appears to be a north-westerly trend to the dykes. Rock surfaces are bleached and weathered so that fresh samples could not be taken during the reconnaissance or prospecting stage.

Insufficient work has been done to define the shape, size and grade of mineralization in the radioactive dykes but sufficient encouragement was obtained from the surface sampling to justify more detailed investigation.

It is accordingly recommended that a field program be undertaken in 1968 to evaluate the uranium, rare earth and copper finds made in 1967 and in addition to prospect that part of the property not examined last year.

Phase I of this program in the case of the uranium and rare earth occurrences will be essentially designed to first locate the most promising mineralization and then to open up and sample it on fresh unweathered surfaces. In the case of the copper mineralization the showing discovered in 1967 will be further prospected and opened up for sampling. Detailed prospecting of the north contact of the gabbro will be continued. Because of the unusual geological environment and the probabilities that the mineralization will be intimately associated and controlled by geological features, it is important that close geological control be maintained on all phases of this work by detailed geological mapping.

If Phase I is sufficiently encouraging a drill program (Phase II) will be required to continue exploration and development.

Continued.....

The program is detailed as follows:

PHASE I

1. Geological mapping of property with emphasis on areas of mineralization.
2. Complete radiometric survey on present grid lines.
3. Complete magnetometer survey in area of 1967 copper discovery.
4. Prospect all areas outside of present grid lines and cut lines in areas of interest.
5. Rock trench and sample most favourable mineralization.

Estimated Costs

Wages and salaries	\$10,700
Camps, supplies, equipment, etc., etc.	4,500
Transportation, aircraft and vehicle	3,000
Contract line cutting, 30 miles @ \$60	1,800
Assaying	1,000
Supervision, etc.	1,500
Contingencies - 10%	<u>2,500</u>

PHASE I TOTAL

\$25,000

PHASE II

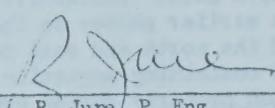
Provided results of Phase I justify further exploration a preliminary drilling program will be carried out.

Estimated Costs

Diamond drilling 7,000 @ \$7.50 per foot	52,500
Engineering supervision, etc. @ \$1.00 per foot	7,000
Contingency	<u>5,500</u>

PHASE II TOTAL

\$65,000


R. Jure, P. Eng.

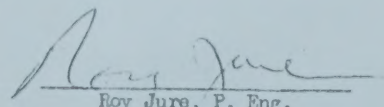
Toronto, Ontario.
June 3, 1968.

C E R T I F I C A T E

I, Roy Jure, of 138 Princess Anne Crescent, in the Township of Etobicoke, in the Province of Ontario, do hereby certify that:

1. I am an exploration geologist;
2. I am a graduate of the University of British Columbia with a B.A. degree in geology acquired in the year 1934, and have practised my profession since graduation.
3. I am a registered Professional Engineer in the Province of Ontario in good standing.
4. I have not received, nor do I expect to receive any interest directly or indirectly in the properties or securities of Lakehead Mines Ltd.
5. This report is based on a personal visit to the Marathon property of Lakehead Mines Limited in 1967, reports and data resulting from preliminary prospecting and field work carried out on the claims during the 1967 field season and reports on file of the exploration on the claims in years previous to 1967.

Dated at Toronto, Ontario, this 3rd day of June, 1968.


Roy Jure, P. Eng.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Denison Mines Limited or Toronto is in such position.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Company has disposed of its investment of 4,500 preference shares and 500 common shares in Glen Rouge Parks Limited for the sum of \$4,000. The original cost of the investment was \$5,000.
18. Brief statement of any lawsuits pending or in process against company or its properties.	None
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	Messrs. Kostuik, Willis and Puhky, who are directors and/or officers of the Company, are also directors and/or officers of Denison Mines Limited aforesaid. No shares of the Company are presently in primary distribution to the public. Shares which shall be purchased by shareholders under the proposed rights offering may be offered and sold by them by way of secondary distribution. Shares which Denison Mines Limited aforesaid may be called upon to purchase pursuant to its commitment outlined in Item 6 hereof are being purchased for investment purposes and not with a view to re-sale or distribution. Such shares may only be offered at a later date in compliance with the provisions of The Securities Act, 1966. There are no other material facts.

CERTIFICATE OF THE COMPANY

DATED June 4, 1968.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"J. Kostuik"

"J.C. Puhky"

LAKEHEAD MINES LIMITED

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

